

University of Mississippi eGrove

Association Sections, Divisions, Boards, Teams

American Institute of Certified Public Accountants
(AICPA) Historical Collection

1922

Circular of information ; Syllabus ; Bibliography ; Rules of the board

American Institute of Accountants. Board of Examiners

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_assoc

Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

American Institute of Accountants. Board of Examiners, "Circular of information ; Syllabus ; Bibliography ; Rules of the board" (1922). *Association Sections, Divisions, Boards, Teams*. 29.
https://egrove.olemiss.edu/aicpa_assoc/29

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Association Sections, Divisions, Boards, Teams by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

American Institute of Accountants

Board of Examiners

Circular of Information

Syllabus

Bibliography

Rules of the Board

**135 Cedar Street, New York
June, 1922**

American Institute of Accountants

The following information is intended to answer inquiries from persons seeking advice in regard to membership in the American Institute of Accountants.

It is believed that the information is sufficiently explicit to answer any reasonable inquiry which may be made.

I. WHO MAY BECOME MEMBERS

Men and women who have been five years continuously engaged in public practice immediately preceding date of application, or ten years in practice not continuously, one year of which immediately precedes date of application, who are recommended by the board of examiners and elected by the council.

II. WHO MAY BECOME ASSOCIATES

Men and women who have been four years engaged in public accounting, not necessarily continuously nor immediately preceding date of application, who are recommended by the board of examiners and elected by the council. In lieu of two of the four years the applicant may present a C. P. A. certificate of recognized standing or a certificate of graduation from an accounting school acceptable to the board of examiners, but no applicant will be admitted to examination unless he shall have had at least two years of public accounting experience.

III. APPLICATIONS

(a) Application for permission to take the examinations of the Institute should be filed sixty days prior to the date of examination on forms supplied by the Institute.

(b) No departure from the constitutional requirements can be made. Applicants seeking special consideration will receive no more attention than is accorded to those applying in the proper way.

(c) Applications must contain full details of schools, colleges and universities attended and of all employment from time of leaving school. Name and address of each school and employer and dates of attendance or employment must be given. Failure to comply literally with this rule always leads to delay. The board will not consider any application lacking complete detail.

(d) If applicants are unable to appear when directed to do so, the board of examiners will give consideration to the cause of such failure to appear, and, if the excuse be considered sufficient, appearance may be postponed until a later examination. Notice of inability to attend must be sent to the board of examiners prior to examination.

(e) The Institute does not supply application blanks for state boards. All applications to state boards must be made direct.

(f) An applicant applying to both Institute and a state board must file a separate application with each body.

IV. CANDIDATES FOR CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES IN CERTAIN STATES.

(a) Many state boards of accountancy have entered into a plan of co-operation with the board of examiners of the American Institute of Accountants whereby the Institute supplies questions to the state boards and also agrees to grade the papers if the state boards so desire. The Institute keeps a record of all papers graded by its board of examiners.

(b) The Institute will not consent to the examination of an applicant for any state certificate outside the state to which he is applying except in the case of a bona fide resident of such state.

(c) Candidates for certified public accountant certificates in states co-operating with the Institute may simultaneously or subsequently apply for admission as associates of the American Institute of Accountants without further technical examination, provided separate applications are made to the state boards and to the Institute, and provided also that the answers submitted at examinations are forwarded to the board of examiners of the Institute for grading.

(d) State boards have been invited to appoint representatives to participate in oral examination of persons applying simultaneously for admission to the Institute and for certificates as certified public accountants in states wherein the laws permit the issuance of certificates following oral examination.

(e) The Institute does not issue certified public accountant certificates. All information in regard to state examinations and certification must be obtained from the proper authorities in the states concerned.

V. PROCEDURE FOR APPLICANTS TO INSTITUTE

(a) In presenting a syllabus and bibliography the board of examiners of the American Institute of Accountants desires to impress upon prospective applicants that the examinations of the Institute are intended to demonstrate the applicant's ability to practise as a professional public accountant. The board feels that without actual accounting experience no one can logically be expected to have a sufficient practical knowledge of accounting to justify him in holding himself out to the public as a professional accountant. Accordingly, examinations are designed to demonstrate the applicant's knowledge founded not only upon text-books and instruction but also upon years of experience.

(b) The bibliography attached hereto is solely for the convenience of prospective applicants. The board of examiners does not recommend any one book especially, but those given in the list are regarded as representative of the authoritative literature on each subject.

(c) The prospective applicant is warned against the error of assuming that any one text-book is in the mind of the examiners in the preparation of questions. The board presents questions which are founded upon experience as well as upon pure theory. The syllabus is prepared in the hope of indicating broadly the general scope of examinations in each of the three subjects.

(d) The constitutional provisions concerning qualifications of applicants are as follows:

Constitution

ARTICLE II.

Sec. 2. Members shall consist of the following:

(b) Associates who shall have been in practice on their own account or in the employ of a practising public accountant for five years next preceding the date of their application and shall be recommended by the board of examiners after examination

and elected by the council. The determination of who shall be considered as practising public accountants shall be made in all cases by the board of examiners.

(c) Accountants who shall present evidence of preliminary education satisfactory to the board of examiners, who shall have been in practice on their own account or in the employ of a practising public accountant for not less than five years immediately preceding the date of their application, who shall be recommended by the board of examiners after examination and elected by the council.

(d) Accountants in practice who shall present evidence of preliminary education satisfactory to the board of examiners, who shall have been in practice on their own account or in the employ of a practising accountant for not less than ten years, one year of which shall have immediately preceded date of application, who shall be recommended by the board of examiners after examination and elected by the council.

Sec. 3. Associates shall consist of the following:

(b) Persons who shall be not less than twenty-one (21) years of age and present evidence of preliminary education satisfactory to the board of examiners; and

(c) Shall have satisfactory training and experience in public accounting. The last-named qualification may consist of:

(1) Possession of a certificate of graduation from an accounting school recognized by the examining board and a certified public accountant certificate of a standard recognized by the examining board or instead of a certified public accountant certificate employment for not less than two years upon the accounting staff of a public accountant (students not completing the full course at an accounting school shall be given credit by computing the number of years of study satisfactorily completed as being equal to one-half the same number of years employed in the office of a public accountant); or

(2) Employment for not less than two years upon the accounting staff of a public accountant and possession of a certified public accountant certificate of a standard recognized by the examining board; or

(3) Not less than four years' experience in public accounting work either upon his own account or in the office of a public accountant by a person not holding a certified public accountant certificate of a standard recognized by the examining board; or

(4) Possession of an accountant's certificate issued under the law of a foreign government of a grade accepted by unanimous

action of the board of examiners and one year's satisfactory experience in practice in the United States of America; or

(5) In the discretion of the board of examiners exercised in each case, not less than three years' experience in teaching accountancy subjects in a school of accountancy recognized by the board of examiners.

(6) In addition to the foregoing qualifications, candidates for associate membership shall submit to examination by the board of examiners and, upon recommendation of that board, may be elected by the council.

VI. EXAMINATIONS

(a) Examinations are conducted about the middle of May and November each year. Special sessions for the conduct of oral examination may be held by the board of examiners if desirable.

Oral.

(b) Under the provisions of the constitution the board of examiners is permitted to require candidates to pass written or oral or partly written and partly oral examinations.

(c) The rules of the board of examiners provide that persons who are over 30 years of age or are certified public accountants or possessors of equivalent foreign degrees approved by the board of examiners may be subjected to oral instead of written examination, provided such applicants present evidence of having been in public practice for seven years or in practice on their own account for five years.

(d) Oral examinations are technical in character and are designed to demonstrate the applicant's practical knowledge of accounting. The questions are based upon the questions of the written examinations, but an effort is made to permit practitioners who have been in practice for many years to explain their treatment of principles and cases involved in a somewhat more informal way than would be possible in a written examination.

(e) Each candidate is examined separately, and the transcript of all questions and answers is presented to the entire board for consideration.

(f) Oral examinations under the rules of the board of examiners must be conducted by members of the board of examiners. Such examinations are usually held in the principal centers of accounting activity, such as Boston, New York, Chicago and San Francisco, but special sessions may be held elsewhere in the discretion of the board of examiners.

Written Examinations for Admission as Associate

(g) Written examinations can usually be arranged to suit the convenience of applicants without involving a long journey to the place of examination.

(h) Applicants whose applications have been favorably considered by the board of examiners will be notified when and where to appear for examination. They may bring fountain pens, but no further supplies are required.

(i) The following is a brief syllabus of the written examination:

First Day—First Session—Auditing, 3½ hours.

First Day—Second Session—Accounting, 5 hours.

Second Day—First Session—Commercial Law, 3½ hours.

Second Day—Second Session—Accounting, 5 hours.

AUDITING

(j) Scope: Practice and procedure in the audit of books and accounts of industrial, commercial and financial concerns, municipalities, estates, etc.

COMMERCIAL LAW

(k) Examination covers only fundamental principles of common and statute law applicable throughout the United States.

Subjects:

- (a) Negotiable instruments.
- (b) Contracts.
- (c) Corporations.
- (d) Bankruptcy.
- (e) Partnership.
- (f) Federal income tax.

ACCOUNTING

(l) Examination in accounting is not divided into theory and practice. The entire subject is considered as one, and problems in practical accounting and questions in theoretical accounting are contained in the papers of both sessions.

Scope: Preparation of trial balance, balance-sheet, profit and loss account; cost, manufacturing, trading, consolidated, executorship, estate, railroad, public utility, shipping and municipal accounts; foreign exchange, investigations prior to public issuance of securities, stock-exchange practice and banking, interstate commerce commission returns, federal tax returns, preparation of statements for credit purposes, systematizing.

(Optional) Actuarial science, including annuities certain, present worth of future interest payments, sinking funds, etc.

(Questions in actuarial science do not extend to life contingencies. A knowledge of algebra up to and including the binomial theorem and the use of logarithms is essential).

Written Examination for Admission as Member

(m) In addition to the written examination set for those seeking admission as associates, applicants for admission as members are required to present acceptable theses.

(n) Each thesis must consist of from 2,000 to 4,000 words upon one of a group of subjects to be proposed by the board of examiners and must be accompanied by an affidavit that it is the unaided work of the applicant.

(o) Associates seeking advancement to membership are required to present theses as above described.

VII. RESULTS OF EXAMINATIONS.

(a) The board does not make known its solutions and answers and does not divulge the actual marks given in any subject.

(b) Applicants who pass the examinations with peculiar distinction are generally mentioned by name in order of merit.

(c) Because of the great number of states using the Institute's questions and submitting the answers for grading by the Institute's examiners, results of examination cannot be made known, as a rule, within less than six weeks from date of examination.

(d) Failure in two subjects is regarded as failure in all subjects. Accounting theory and practice are regarded as one subject.

VIII. RE-EXAMINATION

(a) Applicants who fail in one subject are conditioned in that subject and may be re-examined therein at a subsequent examination upon payment of the required fee (\$10).

(b) Failure to satisfy the requirements of the board of examiners in re-examination does not preclude further re-examination.

(c) All re-examinations must be written.

IX. OTHER EXAMINATIONS

Until further notice, the board of examiners in its discretion exercised in the case of any individual applicant for admission to the Institute may accept in lieu of its own examinations a certificate as a certified public accountant of any state of the United States, the laws of which are held by the board of examiners of the Institute to be adequate and well administered, or a certificate of membership in a society of professional accountants in a foreign country whose requirements for admission are considered by the board of examiners of the Institute equivalent to the Institute's examinations, provided that such applicant shall have received such certificate as certified public accountant or member of a society of professional accountants after adequate examination, and that he shall have been in practice as a public accountant or in the employ on the accounting staff of a public accountant for a period of two years next preceding the date of his application, and provided further that he shall be recommended for admission by three members of the Institute residing near the place of resi-

dence of the applicant, such members to be selected by the board of examiners without knowledge of the applicant and to report to the board of examiners upon the applicant's professional qualifications, character and reputation.

In the case of an applicant conforming to all the provisions contained in the foregoing paragraph, and presenting evidence of five years' public practice immediately preceding the date of his application or ten years' public practice, one year of which shall have immediately preceded date of application, the board of examiners may require such applicant to submit a thesis upon one of a group of subjects to be designated by the board and upon the result of such thesis may recommend the applicant for admission as member of the American Institute of Accountants. The board, however, may accept other evidence of professional qualifications in lieu of a thesis.

X. RIGHT OF REJECTION

The board of examiners reserves to itself the right to reject the application of any applicant for admission as member or associate and shall not be required to state cause for any such rejection.

XI. ELECTION

The board of examiners recommends successful examinees to the council, which may elect or reject. As a rule, recommendation by the board is favorably considered by the council.

XII. FEES AND DUES

(a) Initiation fees of members are \$50; on advancement from associate to membership, \$25; associates, \$25.

(b) In addition the following examination fees must be paid in all cases whether the applicant has already passed an examination approved by the Institute or not:

For admission as member.....	\$25.00
For advancement from associate to member.....	25.00
For admission as associate.....	25.00
For re-examination in one subject.....	10.00

In the case of advancement from the grade of associate to that of member no additional examination fee is required if the

application for advancement be accepted within twelve months of the date of admission as associate.

(c) Examination and initiation fees must accompany the application.

(d) Annual dues of the Institute are: by a member, \$25; by an associate, \$10.

XIII. EXAMINATION QUESTIONS

Copies of past examination questions are obtainable from the offices of the American Institute of Accountants at 10 cents each. The examination questions of the Institute from June, 1917, to May, 1921, inclusive have been prepared in book form and may be obtained from the Institute at \$1.50 a copy, delivered.

XIV. BIBLIOGRAPHY

SUGGESTED TEXTS FOR READING IN PREPARATION FOR EXAMINATION

(See Section V., Paragraphs (b) and (c), Page 4)

Auditing.

Title	Author	Publisher
<i>Auditing Theory and Practice</i> , Students' Edition (1916-542p.)	R. H. Montgomery.	Ronald Press.
<i>Duties of the Junior Accountant</i> (1920-102p.)	W. B. Reynolds & F. W. Thornton.	American Institute of Accountants.
<i>Audit Working Papers</i> (1922). [Now in preparation.]	J. Hugh Jackson.	American Institute of Accountants.
<i>Approved Methods for the Preparation of Balance-Sheet Statements</i> , April, 1917.	Federal Reserve Board	Government Printing Office.

Commercial Law.

<i>Elements of Business Law</i> (1917).	E. W. Huffcut.	Ginn & Co.
<i>Business Law</i> (1918).	Thomas Conyngton.	Ronald Press.
<i>Manual of Commercial Law</i> (1898).	E. W. Spencer	Bobbs-Merrill Co.

Theory of Accounts and Practical Accounting

Title	Author	Publisher
<i>Modern Accounting</i> (1916-367p.).	Henry Rand Hatfield	D. Appleton & Co.
<i>Accounting Theory and Practice</i> , Vol. I (General Practice) (1917-542p.).	Roy B. Kester.	Ronald Press.
<i>Accounting Theory and Practice</i> , Vol. II (Corporation Problems) 1918-755p.).	Roy B. Kester.	Ronald Press.
<i>Applied Theory of Accounts</i> (1917-519p.).	Paul-Joseph Esquerré	Ronald Press.
<i>Accounting Practice and Procedure</i> (1917-315p.).	A. Lowes Dickinson.	Ronald Press.
<i>Problems in the Principles of Accounting</i> (1915-102p.). (Accounting questions only)	Wm. Morse Cole	Harvard University Press
<i>Corporation Accounting</i> (1917).	R. J. Bennett.	Ronald Press.

Cost Keeping and Miscellaneous.

<i>Manufacturing Costs and Accounts</i> (1917).	A. Hamilton Church	Eng. News Pub. Co.
<i>Expense Burden</i> (1908-116p.).	A. Hamilton Church	Eng. News Pub. Co.
<i>Principles of Factory Cost Keeping</i> (1913-102p.).	E. P. Moxey	Ronald Press
<i>Principles of Depreciation</i>	Earl A. Saliers.	Ronald Press.
<i>Factory Costs</i> (1911-611p.)	Frank E. Webner.	Ronald Press
<i>Cost Accounting</i> (1919-576p.)	Nicholson and Rohrbach.	Ronald Press.
<i>Introduction to Actuarial Science</i> (1920).	H. A. Finney.	American Institute of Accountants.

**RULES OF THE
BOARD OF EXAMINERS**
of the
American Institute of Accountants
Approved June 13, 1922.

OFFICERS

The officers of the board shall be a chairman, a secretary and a treasurer.

MEETINGS

Meetings of the board shall be held upon the call of the chairman and shall be called by the chairman upon the written request of three members of the board. Five days' notice of all meetings shall be given by the secretary, except that the annual meeting may be held at the place of the annual meeting of the Institute on the day following the adjournment of that meeting. Five members of the board shall constitute a quorum for the transaction of business.

SECRETARY

The secretary of the Institute shall be the secretary of the board. The secretary shall keep a record of all applications received and also the records of the meetings and transactions of the board. He shall turn over to the treasurer of the board all moneys received by him.

TREASURER

The treasurer of the Institute shall be the treasurer of the board. All moneys received by the board shall be turned over to the treasurer. Disbursements shall not be made by the treasurer except upon the approval of three members of the board.

OFFICE

The office of the Institute shall be the office of the board.

APPLICATIONS AND FEES

Applications will be considered only when made on blanks which will be furnished by the secretary on written request.

The fees for examination and for investigation of applicants' records shall be as follows:

For admission as member.....	\$25.00
For advancement from associate to member.....	25.00
For admission as associate.....	25.00
For re-examination in one subject.....	10.00

In the case of advancement from the grade of associate to that of member no additional examination fee is required if the application for advancement be accepted within twelve months of the date of admission as associate.

Examination fees and initiation fees must accompany the application.

No applicant shall be entitled to an examination by the board unless his application shall have been in the hands of the secretary of the board sixty days prior to the date of examination.

EXAMINATIONS

Except as hereinafter provided, the examinations of the board shall be written, and every applicant for admission as a member or an associate or for advancement to membership who shall be found to be qualified to take an examination under the constitution shall be entitled to take the written examination of the board and upon passing such examination to the satisfaction of the board may be recommended to the council for admission or advancement, as the case may be.

No applicant shall be allowed to take an examination who shall not previously have satisfied the board as to his preliminary education. A high school graduation certificate will be regarded as satisfactory evidence of such preliminary education, but until further notice the board will consider such other evidence as may be submitted.

EXAMINATIONS—WRITTEN

Written examinations shall be conducted simultaneously in such places as may be determined by the board of examiners during May and November, the dates to be selected ninety days in advance of examination.

Due notice will be given to each applicant of the time and

place selected for holding the examination. Failure to be present and prepared at the time appointed will be sufficient cause for exclusion from any session of the examination.

Examinations shall include questions in (1) **Accounting theory and practice**, including optional problems in the elements of actuarial science, (2) **Auditing** and (3) **Commercial law**. The time required shall not exceed two days.

Answers shall be written in ink in accordance with instructions which will be issued at the time of the examination. All supplies necessary to the examination will be furnished by the board, and, after use, shall remain the property of the board.

The secretary shall communicate in writing to each applicant the result of his examination, and the applicant shall not be entitled to further information.

Applicants who shall have passed the examination in two subjects shall have the right to be re-examined in the third subject on payment of the required fees.

EXAMINATIONS—ORAL

Applicants possessing such qualifications as the board from time to time may prescribe in the discretion of the board and upon the request of the applicants may be subjected to oral instead of written examination in one or more subjects. Oral examinations shall be conducted at times and places to be selected by the board.

An affirmative vote of five members of the board shall be required before any applicant who has taken an oral examination shall be recommended to the council for election or for advancement to membership.

The board in its discretion may allow any candidate who has had five years' practice on his own account or seven years' experience in public accounting, provided that such applicant shall be over 30 years of age or shall have passed a written examination conducted by a recognized accounting body, to take an oral instead of a written examination in one or more subjects.

CREDIT FOR CERTAIN OTHER EXAMINATIONS

Until further notice, the board of examiners in its discretion exercised in the case of any individual applicant for admission to the Institute may accept in lieu of its own examinations a certificate as a certified public accountant of any state of the United States, the laws of which are held by the board of examiners of the Institute to be adequate and well administered, or a certificate of membership in a society of professional accountants in a foreign country whose requirements for admission are considered by the board of examiners of the Institute equivalent to the Institute's examinations, provided that such applicant shall have received such certificate as certified public accountant or member of a society of professional accountants after adequate examination, and that he shall have been in practice as a public accountant or in the employ on the accounting staff of a public accountant for a period of two years next preceding the date of his application, and provided further that he shall be recommended for admission by three members of the Institute residing near the place of residence of the applicant, such members to be selected by the board of examiners without knowledge of the applicant and to report to the board of examiners upon the applicant's professional qualifications, character and reputation.

In the case of an applicant conforming to all the provisions contained in the foregoing paragraph, and presenting evidence of five years' public practice immediately preceding the date of his application or ten years' public practice, one year of which shall have immediately preceded date of application, the board of examiners may require such applicant to submit a thesis upon one of a group of subjects to be designated by the board and upon the result of such thesis may recommend the applicant for admission as member of the American Institute of Accountants. The board, however, may accept other evidence of professional qualifications in lieu of a thesis.

The board of examiners reserves to itself the right to reject the application of any applicant for admission as member or associate, and shall not be required to state cause for any such rejection.